

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 8-K**

**Current Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **June 27, 2011**

**SOUTHERN UNION COMPANY**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation)

**1-6407**  
(Commission File Number)

**75-0571592**  
(I.R.S. Employer Identification  
No.)

**5444 Westheimer Road**  
(Address of principal executive offices)

**77056-5306**  
(Zip Code)

Registrant's telephone number, including area code: **(713) 989-2000**

**N/A**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 8.01 Other Events.**

Following notice by Southern Union Company (the "Company") to Energy Transfer Equity, L.P. ("ETE") on June 27, 2011 that the special committee of the Company's Board of Directors (the "Board") had determined to provide The Williams Companies, Inc. ("Williams") with a confidentiality agreement in connection with Williams' proposal to acquire all of the issued and outstanding shares of the Company's common stock for \$39.00 per share in cash (the "Williams Proposal"), counsel to ETE sent a June 27, 2011 letter (the "ETE Letter") to counsel to the Company, stating that it was ETE's position that the Williams Proposal does not form a proper basis on which the Board could make the determinations required by Section 5.4 of the Agreement and Plan of Merger (the "Merger Agreement") entered into by the Company, ETE and Sigma Acquisition Corporation on June 15, 2011. The ETE Letter further asserted, among other things, that (i) the Board is not permitted by the Merger Agreement to engage in any discussions or negotiations with Williams concerning the Williams Proposal or furnish Williams any non-public information concerning the Company; (ii) any attempt by the Company to engage in discussions or furnish non-public information to Williams in the current circumstances will constitute a willful and intentional breach of the Merger Agreement; (iii) such a breach of Section 5.4(a) of the Merger Agreement would not permit termination of the Merger Agreement, in accordance with Section 5.4(e) thereof, in favor of Williams; and (iv) the sharing of the Company's confidential information with Williams, a competitor of ETE in significant markets, could materially damage the business that ETE will be acquiring. The foregoing description of the ETE Letter is subject to, and qualified in its entirety by, the full text the ETE Letter which is included at Exhibit 99.1 hereto and incorporated herein by reference.

On June 28, 2011, counsel to the Company responded to the ETE Letter rejecting its position stating that the Company has exercised great care, and will continue to exercise great care, to comply fully with the terms of the Merger Agreement. A copy of that letter is included at Exhibit 99.2 hereto and incorporated herein by reference.

The Board's decision to engage in discussions with Williams concerning the Williams Proposal and furnish Williams with non-public information concerning the Company does not mean that it has determined that the Williams Proposal currently constitutes a "Superior Offer" as defined in the Merger Agreement.

At this time, the Board reaffirms its recommendation of the Merger Agreement.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit  
No.

Description

- 99.1 June 27, 2011 Letter from Latham & Watkins, LLP to Locke Lord Bissell & Liddell LLP.
- 99.2 June 28, 2011 Letter from Locke Lord Bissell & Liddell, LLP to Energy Transfer Equity, L.P.

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### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

June 29, 2011

SOUTHERN UNION COMPANY  
By:            /s/ Robert M. Kerrigan, III  
Robert M. Kerrigan, III  
Vice President, Assistant General Counsel & Secretary

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### EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	June 27, 2011 Letter from Latham & Watkins, LLP to Locke Lord Bissell & Liddell LLP.
99.2	June 28, 2011 Letter from Locke Lord Bissell & Liddell, LLP to Energy Transfer Equity, L.P.

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LATHAM & WATKINS LLP

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June 27, 2011

Locke Lord Bissell & Liddell LLP  
 2200 Ross Avenue  
 Suite 200  
 Dallas, Texas 75201-6776  
 Attn: Don Glendenning

Re: Conditional Proposal (the "Proposal") Received from The Williams Companies, Inc. ("Williams")

Dear Don:

We are in receipt of your correspondence dated June 27, 2011 to the effect that, after consultation with its financial advisors and outside legal counsel and making the determinations required by Section 5.4 of the Agreement and Plan of Merger dated June 15, 2011 (the "Merger Agreement"), the Board of Directors of Southern Union Company ("Southern Union") is providing to Williams a confidentiality agreement on substantially the same terms as the confidentiality agreement that Energy Transfer Equity, L.P. ("ETE") entered into with Southern Union. We believe that the response by Williams to Southern Union's request for clarification of certain aspects of Williams' Proposal to acquire all of the outstanding shares of Southern Union was wholly inadequate and does not form a proper basis on which the Board of Directors of Southern Union could make the determinations required by Section 5.4 of the Merger Agreement. In that regard, we want to advise you of our conclusion that your Board is not permitted by Section 5.4 of the Merger Agreement to engage in any discussions or negotiations with Williams concerning the Proposal, or furnish Williams any non-public information concerning Southern Union.

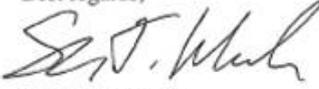
We understand the interests of the Board of Directors in obtaining further information from Williams in order to supplement, if possible, its unsubstantiated statements regarding the financing for the Proposal and its "plan" to resolve regulatory risk. While the Board is permitted to enter into a limited confidentiality agreement to obtain those clarifications (as provided in the

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last sentence of Section 5.4(a) of the Merger Agreement), the current circumstances do not support a finding that the proposal outlined by Williams in its letters is reasonably likely to result in a Superior Offer, and obtaining such information without the provision of information to or entering into discussion with Williams would avoid a breach by the Board of its fiduciary duties in the circumstances of Williams' highly speculative proposal. We also remind you that any confidentiality agreement entered into with Williams must permit the communications to ETE required of Southern Union under Section 5.4 of the Merger Agreement

As a consequence, our view is that any attempt by Southern Union to engage in discussions or furnish non-public information to Williams in the current circumstances will constitute a willful and intentional breach of Section 5.4 of the Merger Agreement. In the circumstance of such a breach of Section 5.4(a), Section 5.4(e) would not permit termination of the Merger Agreement in favor of a Williams offer. Furthermore, we believe the sharing of Southern Union's confidential information with Williams, a competitor in significant markets, could materially damage the business that ETE will be acquiring.

If you would like to discuss the contents of this letter, please contact me.

Best regards,  
  
 Sean T. Wheeler  
 of Latham & Watkins LLP

cc: Eric D. Herschmann  
 Thomas P. Mason  
 William N. Finnegan IV  
 Mark Gerstein  
 David S. Allinson

**LLB&L**  
Locke Lord Bissell & Liddell LLP  
Attorneys & Counselors

2200 Ross Avenue, Suite 2200  
Dallas, Texas 75201-6776  
Telephone: 214-740-8000  
Fax: 214-740-8800  
www.lockelord.com

Don Glendenning  
Direct Telephone: (214) 740-8623  
email: dglendenning@lockelord.com

June 28, 2011

Via Facsimile (214) 981 - 0703  
and Via E-Mail: tom.mason@energytransfer.com

Energy Transfer Equity, L.P.  
3738 Oak Lawn Avenue  
Dallas, Texas 75291  
Attention: General Counsel

Via Facsimile (713) 546 - 5401  
and Via E-Mail: bill.finnegan@lw.com and sean.wheeler@lw.com

Latham & Watkins LLP  
717 Texas Avenue, 16th Floor  
Houston, Texas 77002

Attention: William N. Finnegan IV, Esq.  
Sean T. Wheeler, Esq.

**Re: Correspondence of June 27, 2011**

Dear Tom, Bill and Sean:

We received the correspondence from Latham & Watkins LLP dated June 27, 2011 last night, and we respectfully disagree with your position.

Southern Union Company has exercised great care, and will continue to exercise great care, to comply fully with the terms of the Agreement and Plan of Merger by and among Energy Transfer Equity, L.P., Sigma Acquisition Corporation and Southern Union Company dated as of June 15, 2011.

Kindest personal regards,

Yours sincerely,



Don M. Glendenning

Atlanta, Austin, Chicago, Dallas, Houston, London, Los Angeles, New Orleans, New York, Sacramento, San Francisco, Washington DC

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